UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

MARCAL MANUFACTURING, LLC, d/b/a SOUNDVIEW PAPER COMPANY LLC, Plaintiff v. ESSENDANT CO., Defendant.	Civil Action No. __________ COMPLAINT AND JURY DEMAND

Plaintiff Marcal Manufacturing, LLC, d/b/a Soundview Paper Company LLC, brings this complaint against defendant Essendant Co., to halt its acts of tortious interference with prospective business advantage, misappropriation, unfair competition, false advertising and related claims as more fully described below.

Nature of Action

1. This is an action for tortious interference with prospective business advantage; misappropriation; federal unfair competition in violation of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A); false advertising in violation of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B); unfair competition and deceptive trade practices in violation of the laws against Unfair Competition and Deceptive Trade Practices under N.J.S.A. 56:4-1; and violation of the common law of unfair competition.

The Parties

2. Marcal Manufacturing, LLC d/b/a Soundview Paper Company LLC (hereinafter "Plaintiff" or "Soundview") is a Delaware limited liability company with its principal place of business at Elmwood Park, New Jersey.

3. Essendant Co. (hereinafter "Defendant" or "Essendant") is a corporation organized under the laws of Illinois, with its principal place of business in Deerfield, Illinois.

Jurisdiction and Venue

4. This Court has subject matter jurisdiction over Plaintiff's federal claims pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331, 1338(a). This Court has jurisdiction over Plaintiff's related state and common law claims under 28 U.S.C. § 1338(b) and the doctrine of supplemental jurisdiction pursuant to 28 U.S.C. § 1367. Jurisdiction is also based upon diversity of citizenship under 28 U.S.C. § 1332, in that Plaintiff is a Delaware limited liability company with its principal place of business at Elmwood Park, New Jersey, and Defendant is a corporation organized under the laws of Illinois, with its principal place of business in Deerfield, Illinois, and the amount in controversy exceeds $75,000, exclusive of interest and costs.

5. This Court has jurisdiction over Defendant in that Defendant is committing the complained-of acts of tortious interference with prospective business advantage, unfair competition, false advertising and misappropriation in this judicial district. Defendant is engaging in tortious interference with prospective business advantage, misappropriation, false advertising and selling its infringing products through various Internet web sites and printed materials, including to consumers in New Jersey within this judicial district, and is

transacting business in New Jersey within this judicial district. By virtue of its actions, as described more fully hereinafter, Defendant transacts business in this district, has committed tortious acts in this district, and is engaging in unlawful advertising, promotion and sales directed towards residents of this district. Further, Plaintiff is located in this district and is being harmed by Defendant's tortious actions directed against Plaintiff in this district. Thus, the consequences of Defendant's actions produce effects in and directly implicate New Jersey and this district.

6. Venue is proper in this district under 28 U.S.C. § 1391(b) and (c) because Plaintiff and Defendant reside in this district, because Plaintiff and Defendant transact business in this district, and because the claims arose in this district and a substantial part of the events giving rise to Plaintiff's claims have occurred, and are occurring, within this district.

Plaintiff and Its MARCAL Paper Products

7. Plaintiff, directly and through related companies, is a leading manufacturer and marketer of a wide variety of paper products, including bathroom tissue, paper towels, facial tissue, napkins and many other goods. Plaintiff markets many of its paper products under the trademark MARCAL, both alone and in connection with other words and designs (hereinafter the "MARCAL mark"). Plaintiff manufactures paper products that are sold under its own brands, such as MARCAL. Plaintiff also manufactures paper products that are sold as "private label" products by third parties, including Defendant. For example, a private label product is a product that Plaintiff manufactures to be sold under the brand of one of its

customers. Plaintiff also manufactures paper products that are sold as "private label" products by certain of its customers, including Defendant, under their own brand names.

8. Plaintiff has used and continues to use a unique, arbitrary and distinctive series of product identifiers in connection with the marketing and sale of MARCAL bathroom tissue and related products. These identifiers consist of sets of unique, arbitrary numbers, and are collectively referred to as the "MARCAL Identifiers." Plaintiff does not authorize third parties, including Defendant, to use the MARCAL Identifiers in connection with the marketing and sale of competing products.

9. Over many years, and long prior to the acts of Defendant complained of herein, Plaintiff has extensively used the MARCAL Identifiers on an exclusive basis. Plaintiff has invested substantial time, labor, and money promoting the MARCAL Identifiers in connection with the marketing and sale in interstate commerce of its papers products. The MARCAL Identifiers identify the source and manufacturer of the underlying products and distinguish those products from those of other companies. The MARCAL Identifiers are inherently distinctive, and are not descriptive of the underlying paper products. In the alternative, long prior to the acts of Defendant giving rise to this action, the MARCAL Identifiers have developed valuable acquired distinctiveness and secondary meaning serving as indications of origin in the marketplace. This acquired distinctiveness and secondary meaning arises from Plaintiff's longstanding exclusive use of the MARCAL Identifiers and promotional activities related thereto, and due to their widespread and favorable consumer acceptance and recognition.

10. Consumers recognize and use the MARCAL Identifiers in identifying the source of the underlying products and in ordering those products through Internet web sites

and other means, including, but not limited to, Defendant's product catalogs and web sites. Many consumers refer to, search for, order and purchase Plaintiff's products using the relevant MARCAL Identifiers, including for purchases made through Defendant's product catalogs and web sites. As a result, Plaintiff's MARCAL Identifiers have become, through widespread consumer recognition, an asset of substantial value symbolizing Plaintiff, its quality products and its goodwill.

11. Plaintiff has sold MARCAL paper products and extensively used the MARCAL Identifiers throughout the United States since at least as early as 1998. Plaintiff has expended substantial time, labor, and money in advertising and marketing its MARCAL paper products, including the MARCAL Identifiers, throughout the United States. Plaintiff promotes its MARCAL paper products and MARCAL Identifiers via websites, catalogs, brochures, and other promotional items sent regularly to consumers and prospective consumers throughout the United States. Moreover, distributors and retailers selling Plaintiff's products prominently display and promote Plaintiff's MARCAL paper products, including the MARCAL Identifiers, throughout the country on their websites and in their stores, advertisements and brochures. Sales of MARCAL paper products in connection with the MARCAL Identifiers have been substantial in both units and dollars.

Essendant's Deliberate, Wholesale Copying and Use of the MARCAL Identifiers

12. Essendant, directly and through related companies, is in the business of selling and providing various goods and services in interstate commerce and in this judicial district, including the following: (a) distributorship services, wholesale ordering services, online wholesale ordering services and wholesale distributorships featuring a wide variety of

business and office products, including without limitation paper products, bathroom tissue, and paper towels; (b) product merchandising services, advertising services, marketing services and logistics management services in the fields of business and office products, including without limitation paper products, bathroom tissue, and paper towels; (c) order fulfillment services for others, namely, receiving and consolidating merchandise orders, and packaging merchandise orders to the order and specification of others for shipment, and providing customer service in the field of order fulfillment services; (d) design services, namely, designing, compiling, arranging and publishing printed and online merchandise catalogs and advertising materials for others; (e) electronic commerce services, namely, analysis of user data entered at electronic commerce web sites and analysis of user navigation and browsing history from electronic commerce web sites for business purposes; (f) providing advertising for others triggered by keyword searching on an electronic communications network; (g) electronic processing of orders for others; (h) preparation of customized promotional and merchandising materials for others; and (i) development of user purchasing history and tracking user shopping habits, analysis of user navigation and browsing history at electronic commerce web sites, and providing online advertising triggered by user entry of search terms and keywords in the field of merchandising.

13. As part of its business, Essendant has distributed MARCAL paper products to consumers, including resellers, retailers and distributors, throughout the United States. By virtue of its role in distributing MARCAL paper products, Essendant has long been aware of Plaintiff's use of the MARCAL Identifiers in connection with the sale of its paper products and with the resulting success of those sales efforts.

14. In addition to distributing Plaintiff's MARCAL paper products, Essendent also markets, sells and distributes paper products, including bathroom tissue, paper towels, facial tissue and napkins, under its own private label trademark: BOARDWALK. Essendant distributes the BOARDWALK product line to resellers, retailers and distributors throughout the United States.

15. Essendant's BOARDWALK paper products compete directly with Plaintiff's MARCAL paper products. Essendant distributes its BOARDWALK paper products and Plaintiff's MARCAL paper products to the same classes of purchasers and purchasing agents through one or more web sites operated by Essendant. Essendant's BOARDWALK paper products are often advertised through web sites and in catalogs and brochures adjacent to or in close proximity to Plaintiff's MARCAL paper products.

16. For many years, Essendant used its own series of product identifiers – which were different from the MARCAL Identifiers – in connection with the marketing and sale of BOARDWALK bathroom tissue and related paper products.

17. Recently, without authorization or justification, Essendant changed its practice with respect to its product identifiers. Despite Plaintiff's longstanding use and promotion of the MARCAL Identifiers, Essendant deliberately copied numerous MARCAL Identifiers, and is using the MARCAL Identifiers in advertising, promoting and selling its competing BOARDWALK paper products.

18. For example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 4580 in connection with advertising, promoting and selling its MARCAL bathroom tissue. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its

competing BOARDWALK bathroom tissue. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 4580 in advertising, promoting and selling its competing BOARDWALK bathroom tissue.

19. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 6024 in connection with advertising, promoting and selling its MARCAL bathroom tissue. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK bathroom tissue. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 6024 in advertising, promoting and selling is competing BOARDWALK bathroom tissue.

20. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 6495 in connection with advertising, promoting and selling its MARCAL bathroom tissue. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK bathroom tissue. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 6495 in advertising, promoting and selling its competing BOARDWALK bathroom tissue.

21. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 6079 in connection with advertising, promoting and selling its MARCAL bathroom tissue. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK bathroom tissue. However, without authorization, Defendant

recently copied, began using and continues to use the MARCAL Identifier 6079 in advertising, promoting and selling its competing BOARDWALK bathroom tissue.

22. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 4415 in connection with advertising, promoting and selling its MARCAL bathroom tissue. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK bathroom tissue. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 4415 in advertising, promoting and selling its competing BOARDWALK bathroom tissue.

23. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 16466 in connection with advertising, promoting and selling its MARCAL bathroom tissue. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK bathroom tissue. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 16466 in advertising, promoting and selling its competing BOARDWALK bathroom tissue.

24. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 6181 in connection with advertising, promoting and selling its MARCAL paper towels. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK paper towels. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 6181 in advertising, promoting and selling its competing BOARDWALK paper towels.

25. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 6183 in connection with advertising, promoting and selling its MARCAL paper towels. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK paper towels. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 6183 in advertising, promoting and selling its competing BOARDWALK paper towels.

26. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 6709 in connection with advertising, promoting and selling its MARCAL paper towels. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK paper towels. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 6709 in advertising, promoting and selling its competing BOARDWALK paper towels.

27. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 6410 in connection with advertising, promoting and selling its MARCAL paper napkins. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK paper napkins. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 6410 in advertising, promoting and selling its competing BOARDWALK paper napkins.

28. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 00028 in connection with

advertising, promoting and selling its MARCAL paper napkins. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK paper napkins. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 00028 in advertising, promoting and selling its competing BOARDWALK paper napkins.

29. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 6506 in connection with advertising, promoting and selling its MARCAL paper napkins. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK paper napkins. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 6506 in advertising, promoting and selling its competing BOARDWALK paper napkins.

30. As another example, long prior to the actions of Defendant complained-of herein, Plaintiff had used and continues to use MARCAL Identifier 4034 in connection with advertising, promoting and selling its MARCAL facial tissue. Defendant had been using a different, non-infringing product identifier in advertising, promoting and selling its competing BOARDWALK facial tissue. However, without authorization, Defendant recently copied, began using and continues to use the MARCAL Identifier 4034 in advertising, promoting and selling its competing BOARDWALK facial tissue.

31. Upon information and belief, Defendant has copied and is using additional MARCAL Identifiers, wrongfully and without Plaintiff's authorization, in connection with advertising, promoting and selling its competing BOARDWALK paper products. Plaintiff

reserves the right to add to the examples listed above based on information obtained in discovery taken in this action.

32. Defendant generally uses the prefix “BWK” adjacent to the MARCAL Identifiers that it has copied and is using for its competing products. Defendant has added the prefix “MRC” adjacent to the MARCAL Identifiers used in connection with Plaintiff’s competing products advertised and sold through Defendant’s catalogs and web sites. The use of those prefixes has not prevented and will not prevent actual confusion or likelihood of confusion in the marketplace. For example, the use of “BWK” in connection with the MARCAL Identifiers is likely to cause consumers and prospective consumers who recognize the MARCAL Identifiers to believe, erroneously, that Plaintiff and Defendant are affiliated and/or that Plaintiff produces, licenses, sponsors, or approves of Defendant’s goods, when this is not the case. Moreover, consumers generally search for, place orders for, and purchase the products at issue by typing in and/or using the MARCAL Identifiers without any prefix.

33. Defendant’s unauthorized use of the MARCAL Identifiers is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendant with Plaintiff, and as to the origin, sponsorship, or approval by Plaintiff of Defendant’s goods and commercial activities. Consumers and prospective consumers are likely to believe that Plaintiff is the source of, is affiliated with, sponsors or approves of Defendant’s goods, when this is not the case. Indeed, Defendant’s actions have caused actual consumer confusion and, if not enjoined, will continue to give rise to actual confusion and a likelihood of consumer confusion regarding the source of the parties’ products and regarding Plaintiff’s affiliation, sponsorship and approval of Defendant’s products.

34. The obvious and apparent purpose of Defendant's unauthorized copying and use of the MARCAL Identifiers is to unfairly compete with Plaintiff through deceptive and unlawful business practices and to confuse consumers and prospective consumers, including resellers, retailers and distributors, and to divert sales away from Plaintiff and to Defendant. Defendant is profiting financially from its unlawful actions and is causing serious harm to Plaintiff and its business.

35. By using the MARCAL Identifiers, as described above, Defendant is misleading consumers and prospective consumers and unlawfully trading on the valuable goodwill and recognition associated with the MARCAL Identifiers. Defendant deliberately adopted the MARCAL Identifiers knowing and intending that consumers would likely be confused and deceived.

36. Essendant uses the MARCAL Identifiers in connection with the promotion, distribution and sale of BOARDWALK paper products in interstate commerce and in this judicial district, including through printed materials and web sites operated by Essendant, and obtains revenue from sales of the products at issue, including sales made to consumers located in this judicial district. Consumers in New Jersey have purchased and will continue to purchase the products at issue through the web sites, as well as through distributors, resellers and retailers.

37. Defendant's unlawful acts have occurred, and are continuing to occur, in interstate commerce and in this judicial district, and were directed to cause, have caused, and are continuing to cause, injury to Plaintiff within this district, and have a direct impact in New Jersey. The effect is to harm Plaintiff and its business and to divert sales away from Plaintiff and to Defendant. This effect has a direct impact on Plaintiff in New Jersey.

Essendant Is Engaging in False Advertising

38. By using the MARCAL Identifiers Defendant is making a false or misleading representation of fact in commercial advertising and promotion that misrepresents the nature, characteristics and qualities of its products. Consumers rely upon and use the MARCAL Identifiers in searching for and purchasing specific paper products with particular characteristics and qualities. By its actions, Defendant is representing to consumers and prospective consumers that the generally lower-priced BOARDWALK products sold in connection with the MARCAL Identifiers have the same nature, characteristics, and qualities as the corresponding MARCAL products bearing the same MARCAL Identifiers, when this is not the case. These representations relate to the quality and physical properties of the products, including for example sheet size, roll length, basis weight, strength, and dimensions. These representations are literally false and/or misleading. By its actions, Defendant has engaged in false advertising under Section 43(a)(1)(B) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B), and related state laws.

39. These false and/or misleading representations are being disseminated in interstate commerce and in this judicial district and pertain to products that are sold and transported in interstate commerce and in this judicial district.

40. These false and/or misleading representations have deceived and are likely to deceive a substantial portion of the intended audience, including consumers and prospective consumers of the underlying products.

41. The deception caused by these false and/or misleading representations is material in that it has influenced and is likely to influence purchasing decisions relating to

the underlying products, and has caused and will continue to cause diverted sales to the detriment of Plaintiff.

42. These false and/or misleading representations have caused actual injury to Plaintiff and a likelihood of continued injury to Plaintiff, including as a result of lost sales and harm to the goodwill and business reputation of Plaintiff.

43. Defendant's intent in using the MARCAL Identifiers is to mislead consumers and prospective consumers and to divert sales from Plaintiff to Defendant.

44. As a result of Defendant's use of the MARCAL Identifiers, Plaintiff has suffered and is likely to continue to suffer immediate and irreparable harm to its goodwill and business reputation. Further, Plaintiff has lost and is likely to continue to lose revenue in the form of lost sales as a result of the false and/or misleading representations described above.

Plaintiff's Attempt to Resolve the Matter

45. Through its counsel, Plaintiff notified Defendant that Plaintiff objects to Defendant's wholesale copying and use of the MARCAL Identifiers in connection with the promotion and sale of Defendant's directly competitive products. Plaintiff advised Defendant that its wholesale copying of the MARCAL Identifiers is harming Plaintiff's business, is likely to cause confusion and constitutes false and/or misleading advertising. Plaintiff attempted to resolve the matter amicably and requested that Defendant discontinue using the MARCAL Identifiers in connection with the promotion and sale of Defendant's products. Defendant refused that request.

COUNT I

TORTIOUS INTERFERENCE WITH PROSPECTIVE BUSINESS ADVANTAGE

46. Plaintiff incorporates by reference Paragraphs 1 through 45 above, as though fully set forth herein. Defendant's wholesale copying and use of the MARCAL Identifiers in connection with the promotion and sale of directly competing products in Plaintiff's market, as described above, constitutes tortious interference with Plaintiff's prospective business advantage.

47. Plaintiff has been marketing and selling paper products to its customers in connection with the MARCAL Identifiers since at least as early as 1998 and has developed a reasonable expectation of economic advantage based on its longstanding exclusive use and promotion of the MARCAL Identifiers and the associated sales of its products. The MARCAL Identifiers form the basis of a commercially valuable system on which Plaintiff's consumers have relied in searching for, ordering and purchasing Plaintiff's products over the years. Plaintiff enjoys a reasonable expectation of ongoing business and economic gain based on the exclusive use and promotion of the MARCAL Identifiers in connection with its business, including an interest in continued and prospective sales of products sold in connection with the MARCAL Identifiers. This expectation of economic advantage relates to both existing and potential customers, many of whom are targets of Defendant's sales efforts.

48. As a direct result of Defendant's wholesale copying and unauthorized use of the MARCAL Identifiers, and the intentional and wrongful interference caused thereby, Plaintiff lost sales and experienced loss and frustration of its reasonable expectation of

economic advantage. Defendant's conduct is willful and malicious and has no justification or excuse, as there is a virtually unlimited supply of product identifiers available for Defendant to use in connection with its competing products. Defendant's conduct, as hereinabove pleaded, is contrary to standards of acceptable business practice and the ethical standards of the industry.

49. Defendant's conduct has caused Plaintiff to suffer losses in the form of lost and diverted sales and damage to goodwill. Had Defendant not engaged in the wholesale copying and unauthorized use of the MARCAL Identifiers in connection with its directly competing products, Plaintiff would have made sales that were lost to Defendant by virtue of Defendant's unlawful actions, and Plaintiff would have received the anticipated economic benefits attributable to its otherwise exclusive use and promotion of the MARCAL Identifiers. Defendant's unjustified interference directly resulted in Plaintiff's lost sales. As a result, Plaintiff suffered actual damages and harm to its goodwill. Defendant is diverting sales away from Plaintiff to Defendant, and is directly causing harm and damage to Plaintiff and its business.

50. Defendant has, by devious and improper means, lured away consumers and prospective consumers of the products marketed and sold by Plaintiff in connection with the MARCAL Identifiers and has tortiously interfered with Plaintiff's prospective business advantage. Plaintiff has no adequate remedy at law.

COUNT II

COMMON LAW MISAPPROPRIATION

51. Plaintiff incorporates by reference Paragraphs 1 through 50 above, as though fully set forth herein. Defendant's wholesale copying and use of the MARCAL Identifiers in connection with the promotion and sale of directly competing products in Plaintiff's market, as described above, constitutes common law misappropriation.

52. Plaintiff has made a significant investment of time, labor, and money in developing and using the MARCAL Identifiers in its business, and in creating a commercially valuable system on which consumers have relied in searching for, ordering and purchasing Plaintiff's products over the years. By virtue of their exclusive use for many years in Plaintiff's market, the MARCAL Identifiers have significant commercial and competitive value as used in connection with Plaintiff's business.

53. Defendant has engaged in a systematic pattern of wrongful appropriation and use of Plaintiffs MARCAL Identifiers in direct competition with Plaintiff in Plaintiff's market. By its wholesale and deliberate copying of the MARCAL Identifiers, Defendant is free-riding on Plaintiff's significant investment of time, labor, and money. By misappropriating and using the MARCAL Identifiers in direct competition with Plaintiff, Defendant has diverted sales away from Plaintiff and directly caused harm and damage to Plaintiff and its business, in violation of the common law of misappropriation.

54. Defendant's wholesale copying of the MARCAL Identifiers in the aggregate, as hereinabove pleaded, constitutes misappropriation and is an unfair business practice.

55. Defendant has a virtually unlimited supply of product identifiers that it can use in connection with the marketing and sale of its products. Defendant could easily have

created its own set of product identifiers for use in connection with its products, thereby avoiding the damage it has caused to Plaintiff's business. Defendant's unlawful conduct has caused Plaintiff to suffer economic damage, has resulted in unjust enrichment to Defendant, and has caused and will continue to cause, unless enjoined by this Court, substantial and irreparable damage and injury to Plaintiff and its consumers, for which damage and injury Plaintiff has no adequate remedy at law.

COUNT III

FEDERAL UNFAIR COMPETITION

56. Plaintiff incorporates by reference Paragraphs 1 through 55 above, as if fully set forth herein. Defendant's conduct, described above, constitutes federal unfair competition in violation of Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A).

57. Since at least as early as 1998, Plaintiff has used the MARCAL Identifiers listed below in connection with the marketing, promotion and sale of the products listed:

- *Bathroom tissue*: MARCAL Identifier 16466, MARCAL Identifier 4508, MARCAL Identifier 6024, MARCAL Identifier 6495, MARCAL Identifier 6079 and MARCAL Identifier 4415
- *Paper Towels*: MARCAL Identifier 6181, MARCAL Identifier 6183 and MARCAL Identifier 6709
- *Napkins*: MARCAL Identifier 00028, MARCAL Identifier 6410 and MARCAL Identifier 6506.
- *Facial Tissue*: MARCAL Identifier 4034

During that time, consumers have continuously relied upon and used these MARCAL Identifiers to search for, order and purchase Plaintiff's products. These MARCAL Identifiers have acquired a strong secondary meaning in the industry and among the relevant consuming public. Defendant's deliberate copying of the MARCAL Identifiers creates a strong inference of secondary meaning. In light of Plaintiff's longstanding exclusive use and promotion of these MARCAL Identifiers, and consumers' continuous use of the MARCAL Identifiers in searching for and purchasing the underlying products over many years, there is a strong likelihood that a consumer who encounters a MARCAL Identifier used in connection with a BOARDWALK product will believe, erroneously, that Plaintiff is the source of the product, or that Plaintiff approved of, licensed, or is affiliated with the product.

58. Defendant's actions, as described above, are likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of Defendant's goods with Plaintiff or Plaintiff's goods, or as to the origin of Defendant's goods, or that Defendant's goods have the sponsorship or approval of Plaintiff.

59. Defendant's actions, as described above, constitute use of a false designation of origin, or a false representation, which wrongfully and falsely designates the origin of Defendant's products as originating from or being connected with Plaintiff, and thereby constitutes a false description or representation used in interstate commerce in violation of Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A). Defendant has and will continue to unfairly acquire income and profits resulting from its acts of unfair competition. As a result of Defendant's actions, Plaintiff has suffered and will continue to suffer damages including loss of income, loss of profits, and harm to its goodwill. Defendant's acts of unfair

competition will cause further irreparable harm to Plaintiff if this Court does not restrain Defendant from further violation of Plaintiff's rights.

60. By virtue of its aforementioned acts, Defendant has violated Section 43(a)(1)(A) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(A). Plaintiff has no adequate remedy at law.

COUNT IV

FALSE ADVERTISING

61. Plaintiff incorporates by reference Paragraphs 1 through 60 above, as though fully set forth herein. Defendant's conduct, described above, constitutes false advertising in violation of Section 43(a)(1)(B) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B).

62. Defendant has made and is making false and/or misleading representations of fact concerning the nature, characteristics or qualities of its products sold in connection with the MARCAL Identifiers in its commercial advertising or promotions in commerce in active commercial competition with Plaintiff.

63. Consumers use the MARCAL Identifiers to search for and purchase specific paper products with particular characteristics and qualities. Defendant, through its use of the MARCAL Identifiers, has represented that its paper products have the same nature, characteristics, and qualities as Plaintiff's corresponding products that are marketed and sold in connection with the same MARCAL Identifiers, at a time when these products were not identical in nature, characteristics, and qualities.

64. Defendant has made each of its false and/or misleading representations of fact with knowledge of their false and/or misleading nature, or willfully and with reckless

disregard for their false and/or misleading nature, and Defendant's representations have deceived and are likely to deceive consumers about the true nature, characteristics, and qualities of Plaintiff's products and Defendant's products sold in connection with the MARCAL Identifiers.

65. Defendant's false and/or misleading representations of fact are material, in that the representations go to the quality and nature of Defendant's products, which affects the purchasing decisions of consumers. Defendant's actions have actually deceived and have a tendency to deceive consumers who have relied on or will likely rely on Defendant's false and/or misleading representations in making their purchase decisions about the underlying products.

66. Defendant caused its false and/or misleading representations to enter interstate commerce and this judicial district, including through web pages and print advertisements in nationally circulated catalogs. Defendant's products and Plaintiff's products that are the subject of the false and/or misleading representations are advertised and have traveled in interstate commerce and in this judicial district.

67. Plaintiff has been injured and is likely to be injured by Defendant's false advertising by a diversion of business from Plaintiff to Defendant, as consumers of paper products are misled into believing that Defendant's products and Plaintiff's products sold in connection with the identical MARCAL Identifiers have the same qualities and characteristics, when they do not. As a direct and proximate result of Defendant's actions, Plaintiff has suffered and is likely to continue to suffer significant monetary damages and competitive injury, including by diversion of sales from Plaintiff to Defendant and by loss of goodwill.

68. Defendant's false and/or misleading representations violate Section 43(a)(1)(B) of the Lanham Act, 15 U.S.C. § 1125(a)(1)(B).

69. Defendant's unlawful conduct has caused Plaintiff to suffer economic damage, has resulted in unjust enrichment to Defendant, and has caused and will continue to cause, unless enjoined by this Court, substantial and irreparable damage and injury to Plaintiff and consumers, for which damage and injury Plaintiff has no adequate remedy at law. Due to Defendant's false and/or misleading representations, Plaintiff has incurred actual damages in amounts to be determined at trial from lost sales and profits, and devoting substantial additional resources toward safeguarding its impacted customer relationships.

70. As a result of Defendant's wrongful actions, Plaintiff is entitled to recover all available damages, attorney's fees, costs and Defendant's profits. This is an exceptional case within the meaning of Section 35 of the Lanham Act, 15 U.S.C. § 1117. Due to the irreparable injury Plaintiff has suffered and is likely to continue to suffer, it is entitled to injunctive relief. Plaintiff has no adequate remedy at law.

COUNT V

UNFAIR COMPETITION AND DECEPTIVE TRADE PRACTICES UNDER N.J.S.A. 56:4-1

71. Plaintiff incorporates by reference Paragraphs 1 through 70 above, as though fully set forth herein. Defendant's conduct, described above, constitutes a violation of the laws against Unfair Competition and Deceptive Trade Practices under N.J.S.A. 56:4-1.

72. Defendant's use of the MARCAL Identifiers constitutes unfair competition and is a deceptive trade practice in that Defendant has appropriated for its own use the MARCAL Identifiers and the reputation and goodwill of Plaintiff as embodied in the

MARCAL Identifiers for use with products that compete directly with those of Plaintiff. Further, Defendant is attempting to pass off its goods as those of Plaintiff; and Defendant's conduct causes a likelihood of confusion or misunderstanding as to the source, sponsorship, or approval of the parties' goods and as to Defendant's affiliation, connection, or association with Plaintiff.

73. Through its actions, Defendant has made and is continuing to make false and/or misleading statements regarding product characteristics and qualities in commercial advertisements that it knew or should have known are false and/or misleading. Defendant's false and/or misleading statements have already influenced, and will continue to influence, purchasing decisions to the extent consumers choose Defendant's products sold in connection with the MARCAL Identifiers instead of those sold by Plaintiff. Defendant engaged in this conduct with the intent to induce consumers and prospective consumers to purchase Defendant's products sold in connection with the MARCAL Identifiers instead of those sold by Plaintiff.

74. Defendant's unlawful conduct has caused Plaintiff to suffer economic damage, has resulted in unjust enrichment to Defendant, and has caused and will continue to cause, unless enjoined by this Court, substantial and irreparable damage and injury to Plaintiff and consumers.

75. Defendant's actions violate the laws against Unfair Competition and Deceptive Trade Practices under N.J.S.A. 56:4-1. Plaintiff has no adequate remedy at law.

COUNT VI

COMMON LAW UNFAIR COMPETITION

76. Plaintiff incorporates by reference Paragraphs 1 through 75 above, as though fully set forth herein. Defendant's conduct, described above, constitutes a violation of the common law of unfair competition.

77. As a result of its actions, as described above, Defendant has wrongfully used and continues to wrongfully use the MARCAL Identifiers in commerce, in connection with the sale, offering for sale, distribution, or advertising of its goods, has misappropriated valuable property rights of Plaintiff, is seeking to trade on the goodwill symbolized by Plaintiff's distinctive MARCAL Identifiers, and is thereby likely to confuse and deceive members of the purchasing public as to the source, sponsorship, or approval of Defendant's goods.

78. Defendant has made and is continuing to make false and/or misleading statements in commercial advertisements that it knew or should have known are false and/or misleading. Defendant's false and/or misleading statements have already influenced, and will continue to influence, purchasing decisions to the extent consumers choose Defendant's products sold in connection with the MARCAL Identifiers instead of those sold by Plaintiff. Defendant engaged is this conduct with the intent to induce consumers and prospective consumers to purchase Defendant's products sold in connection with the MARCAL Identifiers instead of those sold by Plaintiff.

79. As a result of its actions, described above, Defendant is engaging in unfair competition with respect to Plaintiff in violation of Plaintiff's rights under the common law of unfair competition. Defendant has and will continue to unfairly acquire income and

profits resulting from its acts of unfair competition. As a result of Defendant's actions, Plaintiff has suffered and will continue to suffer damages including diversion of sales, loss of income, loss of profits, and harm to its goodwill. Defendant's acts of unfair competition will cause further irreparable harm to Plaintiff if this Court does not restrain Defendant from further violation of Plaintiff's rights. Plaintiff is also entitled to the recovery of all available damages, including actual and punitive damages, and Defendant's profits gained by its acts of unfair competition. Plaintiff has no adequate remedy at law.

WHEREFORE, Plaintiff demands:

A. That Defendant, its officers, agents, servants, employees, licensors, licensees, attorneys, successors, related companies, parent companies, and assigns, and all those in active concert or participation with it, be forthwith preliminarily and thereafter permanently enjoined and restrained from:

i. Using the MARCAL Identifiers in connection with the advertising, promotion, sale and distribution of Defendant's products, including, but not limited to, in connection with web sites, packaging and advertising and promotional materials;

ii. Doing any act or thing likely to induce the mistaken belief that Defendant's products are in any way approved by or affiliated, connected or associated with Plaintiff or Plaintiff's products;

iii. Unfairly competing with Plaintiff in any manner whatsoever;

iv. Causing a likelihood of confusion with respect to Plaintiff's MARCAL Identifiers, or injury to the business reputation of Plaintiff; or

v. Engaging in false and/or misleading advertising, deceptive trade practices, misappropriation, tortious interference with prospective business advantage, and/or representing in any advertising that Defendant's paper products have the same characteristics and qualities as those sold by Plaintiff in connection with the MARCAL Identifiers.

B. That Defendant be directed to file with the Court and serve upon Plaintiff within thirty (30) days after issuance of an injunction, a report in writing and under oath setting forth in detail the manner and form in which Defendant has complied with the injunction.

C. That Defendant be required to identify and to recall from any third party all marketing and advertising materials that use the MARCAL Identifiers or incorporate the MARCAL Identifiers in connection with the promotion and sale of Defendant's products;

D. That Defendant be ordered to destroy all products, displays, advertisements, packaging, brochures, order forms, price lists, catalogs, and any other materials, whether in paper or electronic form, in its possession or control that use or display the MARCAL Identifiers in connection with the promotion and sale of Defendant's products, and provide certification of such destruction;

E. That Defendant be ordered to compensate Plaintiff for any and all corrective advertising or other expenses necessary to dispel the consumer confusion and deception caused by Defendant's unlawful acts complained of herein;

F. That Plaintiff be awarded monetary relief in an amount to be fixed by the Court in its discretion as just, including:

i. All profits received by Defendant from sales and revenues of any kind made as a result of its unlawful actions and false advertising, said amount to be trebled;

ii. All damages sustained by Plaintiff as a result of Defendant's acts of tortious interference with prospective business advantage, federal and common law unfair competition, false advertising, misappropriation, and violations of N.J.S.A. 56:4-1, and that such damages be trebled; and

iii. Punitive damages, in view of the willful and deliberate nature of Defendant's acts.

G. That, because of the exceptional nature of this case resulting from Defendant's deliberate conduct, this Court award to Plaintiff all reasonable attorneys' fees, costs and disbursements incurred as a result of this action, pursuant to 15 U.S.C. § 1117 and as authorized by common law and state law.

H. That Plaintiff shall have such other and further relief as this Court may deem just.

JURY TRIAL DEMANDED

Plaintiff respectfully demands a trial by jury on all claims and issues so triable.

Respectfully submitted,

MARCAL MANUFACTURING, LLC d/b/a
SOUNDVIEW PAPER COMPANY LLC

Dated: April 7, 2017

By: *s/ Kenneth N. Laptook* .

Kenneth N. Laptook
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Attorneys for Plaintiff

CERTIFICATION PURSUANT TO LOCAL CIVIL RULE 11.2

I hereby certify that to the best of my knowledge, information and belief, the matter in controversy in this action is not the subject of any other action pending in any court or of a pending arbitration proceeding.

MARCAL MANUFACTURING, LLC d/b/a
SOUNDVIEW PAPER COMPANY LLC

By: *s/ Kenneth N. Laptook* .

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West Orange, New Jersey 07052
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Dated: April 7, 2017

Attorneys for Plaintiff